(c) how Government propose to take measure that the private organizations are not allowed to jump into open market to purchase foodgrains and other agricultural produces at a cheaper rates and plunge into hoarding in the States where FCI remains absent; and

(d) the measure to safeguard the farmers interest at all costs?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) and (b) Procurement of wheat and rice for the Central Pool is undertaken by Food Corporation of India (FCI) and Agencies of the State Governments. Before every procurement season instructions are issued by the Department of Food and Public Distribution that FCI and State agencies should open procurement centers in all districts producing marketable surplus of foodgrains. Instructions are also issued to FCI and the State Governments to give wide publicity through print and visual media as well as through banners, pamphlets etc. regarding the Minimum Support Price (MSP) Scheme, names of the procurement agencies and locations of purchase centres etc. Control Rooms are also set up in the Ministry, FCI headquarters, FCI Regional Offices and by the State Governments to monitor procurement and investigate reports of distress sale.

(c) and (d) As per the present policy, fanners are free to sell their produce to the Government agencies at MSP, or to the private parties, as is advantageous to them. This ensures remunerative prices to the farmers. However, adequate powers are vested with StateAJT Governments under the Essential Commodities Act, 1955 and prevention of Black marketing and Maintenance of Supplies of Essential Commodities Act, 1980 for preventing malpractices in respect of essential commodities. A Central Order was issued on 29th August, 2006, which is currently valid upto 31.8.2007, empowering State Governments to fix stock-holding limits in respect of these two essential commodities. A notification titled "Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 has also been issued under the Essential Commodities Act, 1955 which provides that any Company or Firm or individual which purchases wheat beyond 50,000 tonnes during 2007-08 shall furnish to the Central Government a return indicating the name/address of the company, quantity of wheat purchased and quantity of wheat held in stock.

Procurement of wheat

2051. SHRI DEVDAS APTE: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether FCI has started its drive of wheat procurement from 1st April, 2007;

(b) how much wheat it has procured till date;

(c) whether some private companies like Cargill and Australian Wheat Board are paying much more than Government price; and

(d) whether Government have initiated any action for prohibition of these foreign companies?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH) (a) Yes, Sir.

(b) 111 .04 lakh tonnes of wheat was procured by FCI and State agencies in Rabi Marketing Season (RMS) 2007-08.

(c) Yes, Sir.

(d) As per the existing policy, the farmers have the option of selling their produce to the Government agencies at Minimum Support Price (MSP) plus applicable bonus or to the private parties, as is advantageous to them. In order to ensure that the farmer gets remunerative price for his produce, no restriction on procurement by private companies (including Multinational Companies) has been imposed by the Government of India. However, a notification titled "Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 has been issued under the Essential Commodities Act 1955 on 1.3.2007. The order provides that any Company or Firm or individual which purchases wheat beyond 50,000 tonnes during 2007-08 shall furnish to the Central Government a return indicating the name/address of the company, quantity of wheat purchased and quantity of wheat held in stock.

Revamping the procurement system

2052. SHRI RAMDAS AGARWAL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the farmers of wheat growing States have requested Government to withdraw its decision to import wheat during the current year in view of its adverse impact on the farmers and poor quality of imported wheat;

(b) whether it is a fact that Government are paying Rs. 850 per quintal to Indian farmers while, it is paying Rs. 1,300 per quintal to foreign farmers;

(c) if so, the reasons therefor; and

(d) whether Government propose to revamp the procurement policy to provide better price to the farmers and improve the food security situation in the country?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) Representation have been received from some organizations representing farmers requesting the Government to reconsider its decision to import wheat in 2007-08.

(b) The wheat was purchased from the farmers by Government agencies in RMS 2007-08 at a procurement price of Rs. 850 per quintal (MSP of Rs. 750 per quintal plus incentive bonus of Rs. 100 per quintal). When the procurement price of Rs. 850/- per quintal was decided on 15.3.2007, the FOB price of US soft red winter wheat at Chicago was $ 168.30 per ton, which translated into Rs. 743.72 per quintal (US $=Rs. 44.19). Thus the price paid to fanner in India was higher than the FOB price of wheat at Chicago at that time. Subsequently, the price of wheat in the International Market has increased. In July 2007 the Government placed orders to purchase 5.11 lakh tons of wheat at the weighted average rate of US $ 325.59 per ton which worked out to Rs. 1312/- per quintal (US $=Rs. 40.3). The higher price of wheat imported was the result of lower production in several major wheat